



2019 Legislative Policy Watch Weekly E-Update

Issue No. # 2, January 18, 2019

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About Policy Watch E-Updates

The Legislative and Policy Watch Weekly E-Update is a project of the Kansas Rural Center.

Editor: Mary Fund
ksrc@rainbowtel.net

Paul Johnson, Policy Analyst
pdjohnson@centurylink.net

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The Kansas Rural Center promotes the health of the land and its people through research, education and advocacy that advance an ecologically sound, economically viable, and socially just agriculture. For more information about KRC go to www.kansasruralcenter.org.



Kansas Natural
Resource Council

The Kansas Natural Resource Council (KNRC)

Budgetary Challenges

by Paul Johnson

Governor Laura Kelly submitted her first Kansas budget this week, and it can be viewed at <https://budget.kansas.gov/budget-report/>. The entire State budget totals \$17.2 Billion for 2019 for the fiscal year that ends on June 30, 2019, while the Fiscal Year (FY) 2020 budget totals \$18.4 Billion. The Governor kept her promise of balancing these budgets without a tax increase. The Governor has reverted to the historical norm of offering a single year budget as opposed to the two-year budgets over the last eight years. The one major exception is K-12 public education that is budgeted for two years.

The ending balance of the FY 2020 budget is \$686 million - a 9.1% State General Fund (SGF) ending balance that has not been proposed for 20 years. The budget battles begin now since the Governor's budget is a proposal and the Legislature will deliberate on these fiscal proposals before passing a final budget for the Governor's consideration. The committee work on the Governor's budget starts the first week of February after the Kansas Legislative Research Department has reviewed the numbers for lawmakers.

PRIORITIES. The Governor's first priority is to **fully fund public education** with an inflation adjustment increase of \$92.7 million for 2020 and \$130 million annually through 2023 to satisfy the concerns of the Kansas Supreme Court. She has requested that the Kansas Legislature pass this separate K-12 budget by February 28 so the process can begin to settle the 'Gannon' public education lawsuit. This budget ends the current \$45 million transfer from the State Highway Fund (SHF) to the SGF for public school transportation. Another \$55 million presently transferred from SHF to SGF for other state services is reduced leaving a total of \$100 million in the SHF for highway projects. The plan is to end all SHF transfers to the SGF by 2023.

promotes environmentally responsible practices and sustainable natural resource policies to ensure the quality and abundance of these resources for future generations. For more information about our organization and programs, or how to become a member, please visit knrc.weebly.com.



Kansas Farmers Union is the state's oldest active farm organization working to protect and enhance the economic interests & quality of life for family farmers, ranchers & rural communities. For more information go to: www.kansasfarmersunion.com.



League of Women Voters of Kansas is a grassroots volunteer political organization with nine local chapters across Kansas. For nearly 100 years, LWVK has encouraged the informed and active participation of citizens in government. For more information, contact lwvk.org.



Climate and Energy Project (CEP) is a Kansas-based non-partisan non-profit working to find practical solutions for a clean energy future. For More information go to: www.climateandenergy.org.



Friends of the Kaw (FOK) works to protect and preserve the Kansas River for present and future generations.

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<http://kslegislature.org/li/>

The Governor's second priority is to **expand Medicaid (KANCARE)** in Kansas to 150,000 uninsured residents at a cost to Kansas of \$14.2 million in SGF funds for FY 2020. Beyond 2020 the cost may be closer to \$31 million from the SGF. This is a 10% match to draw down the 90% of federal funds particularly to assist many struggling rural hospitals. The federal match for the Children's Health Insurance Program is declining so the Governor proposes adding \$12.4 million from SGF to cover that loss and insure more children.

The third priority is to address **child welfare**. The Governor is requesting \$4 million from the SGF to hire 55 child welfare positions to lower caseloads per worker. Foster care costs have risen 42% since 2012. The Governor does propose a 30-year re-amortization to 2049 of the Kansas Public Employees Retirement System (KPERs) that is now slated to hit actuarial balance by 2033. This saves the SGF \$145.3 million in lower annual KPERs payments by the State for state workers and school employees. There is a recommendation of a state employee pay increase of 2.5% (excluding Legislators and the Judicial Branch) at a cost of \$22.3 million to the SGF. Higher education is given \$8.9 million from the SGF to finally restore a 4% cut taken by Governor Brownback.

The Governor also wants to reduce the sales tax on groceries down the road, but is asking for a widow of 2-3 years to fully stabilize the revenue picture without any tax changes.

LEGISLATIVE REACTION. The joint Senate Ways and Means and House Appropriations committees had many concerns and questions for the Governor's Budget Director - Larry Campbell. The 30-year amortization plan for KPERs was very skeptically received given that it has taken Kansas 25 years to finally get within 15 years of fiscal solvency. The underfunding of KPERs started in 1971 when school employees were brought in but brought very few assets. In 1993 the Kansas Legislature made major enhancements to the benefits but placed a cap on the actual employer (the State) contributions so the unfunded debt of KPERs kept rising.

Lawmakers were also concerned about the accuracy of the cost of expanding KANCARE and could Kansas count on the federal government keeping its fiscal promises? Kansas is on the verge of writing a new 10-year transportation plan plus resolving how to restart and finish the existing "T-Works" highway plan that has been shorted by hundreds of millions dollars. In past years of unaffordable tax cuts, Kansas took \$317 million

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Contact Information

Sen. Jerry Moran
DC Ofc [202-224-6521](tel:202-224-6521)

Sen. Pat Roberts
DC Ofc [202-224-4774](tel:202-224-4774)

Rep. Roger Marshall,
1st Dist.
DC Ofc: [202-225-2715](tel:202-225-2715)

Rep. Steve Watkins
2nd Dist.
DC Ofc: [202-225-6601](tel:202-225-6601)

Rep. Sharice Davids
3rd Dist.
DC Ofc: [202-225-2865](tel:202-225-2865)

of idle funds from the Pooled Money Investment Board to pay current budgets. Governor Kelly is proposing paying that back in 2019 instead of over 5 years thus saving \$52 million in interest costs. This proposal will get great attention.

So the battles begin with the first being tax law changes to allow Kansas filers the opportunity to itemize deductions on the Kansas return if they do not itemize on their federal filing. The cost varies but it is somewhere in the \$80-90 million range. Right now around 20% of Kansas filers do itemize. There needs to be a full accounting of which households would benefit income wise given that 85% of the Brownback tax cuts went to the top 15% of the wealthiest filers in Kansas.

This chart of tax cuts by filer income was done 4 years ago and needs updating. The 2017 tax bill restored just 66% of the \$900 annual tax cut under Brownback. While Senate and House leadership adopt budget rules called 'pay go' that force lawmakers to find the revenues for any proposed budget increase such sanity does not apply to paying for any tax reduction so that vital governmental services are not put at risk. Slowly Kansas is starting to dig out of this financial mess.

Contact Paul Johnson at pdjohnson@centurylink.net

2019 KANSAS LEGISLATOR BRIEFING BOOK

This 412 page briefing book has 72 issue briefs covering a wide range of topics that lawmakers may encounter this legislative session. There are topics new for this year as well as older versions of issue briefs that have been updated. The topics range from industrial hemp to the state water plan to election laws to taxation to governmental transparency to school finance, etc, etc. These briefs are often the starting point for new legislators to get up to speed on a given issue. This book is intended to give lawmakers basic information to discuss a range of issues with their constituents.

http://www.kslegresearch.org/KLRD-web/Publications/BriefingBook/2019_briefing_book.pdf

Mark Your Calendar
WEALTH Day
at the State Capital
March 12, 2019

(Water, Energy, Air, Land, Transportation and Health)

GOVERNOR LAURA KELLY STATE OF THE STATE SPEECH EXCERPTS

'From the beginning, I committed to building a strong, diverse, dynamic, group to rebuild our state. You'll recognize both Democrats and Republicans, women and men, a mix of seasoned veterans and fresh faces, all with a love for Kansas and a sincere desire to serve. And I thank them for their willingness to take on these new challenges.'

'After a decade of crisis - starting with the Great Recession, followed by a self-inflicted budget catastrophe - we found ourselves at a turning point. We were at times weary, frustrated and, sadly, untrusting of one another. But, in the end it came down to a fundamental question. We had to ask, what is Kansas worth?'

'Unfortunately, throughout Kansas' decade-long debate over school funding, we've fallen into a troubling pattern. It begins with a promise from elected leaders to fund our schools. Then a failure to follow through on that promise. That is going to change this year. This year we will end this cycle of litigation and meet the needs of our students and teachers once and for all.'

'To date, our failure to act (expand Medicaid) has cost Kansas over \$3 Billion in federal funding. That's \$3 Billion in tax dollars we've paid to the federal government has gone to benefit other states. It's \$3 Billion that could have helped save Kansas lives, Kansas hospitals, and Kansas communities. ...By Kansas Day, there will be a plan to expand Medicaid put before the Kansas Legislature.'

'If we are going to succeed, I need your help to protect both sides of the budget equation until our fiscal health stabilizes. As many of you have already said, we must show restraint. Because ultimately, we do not know what lies ahead. Kansas has endured two historic national recessions in the last 20 years.'

'Kansans are no stranger to hardship or hard work. We don't want things handed to us. We don't expect life to be easy. That raw grit - our fierce determination - is part of our history. It makes us who we are. And if we work together... if we put partisanship aside and Kansas families first... Then we can truly live up to our motto, Ad Astra Per Aspra.'

This speech was delivered on January 16 and can be read in its entirety by clicking [HERE](#).

CALENDAR FOR WEEK OF JANUARY 22, 2019

Below are a few committee highlights for the coming week:

Monday January 21 is Martin Luther King Holiday.

Senate Public Health & Welfare Committee 9:30 a.m. Room 118-N

Weds. Jan. 23 Informational Briefing: Kan-Care Overview

Thursday Jan. 24: Continued briefing on Kan-Care

Senate Utilities Committee 1:30 p.m. 548-S

Weds. Jan. 23 Briefing on Evergy (KCP&L and Westar) Internal Rate Study

Senate Agriculture & Natural Resources Committee 8:30 a.m. Room 159-S

Thurs. Jan. 24 Presentation on KSU University programs

Senate Ways & Means Committee 1:30 p.m. Room 548-S

Thurs. Jan. 24 Informational briefing on Local Impact of federal Farm Bill

House Rural Revitalization Committee 9 a.m. Room 582-N

Tuesday Jan. 22 Informational briefing: Rural Demographics

Wednesday Jan. 23 Informational Briefing: Rural Development Challenges

Thursday Jan. 24 Informational Briefing: Rural Tourism

House Energy, Utilities, and Telecommunications Committee 9 a.m. Room 281-N

Tues. Jan. 22 Briefing on KCC Rate Study

House Appropriations Committee 9 a.m. Room 112-N

Weds. Jan. 23 Briefing on Kansas Housing Resources Corporation

House Agriculture and Natural Resource Committee 1:30 p.m. Room 142-S

Thurs. Jan. 24 Briefing on Water Issues & State Water Plan Fund

House Health and Human Services Committee 1:30 p.m. Room 546-S

Weds. Jan. 23 Presentation on Kansas Medicaid (101) Kan Care Basics

Thurs. Jan. 24 Presentation on Community Mental Health Overview

Kansas WEALTH Policy, Civic Engagement and YOU

Curious about what's going on in the Kansas legislature this year and how you can make a difference? Tune in to the Climate + Energy Project's CEP LIVE on Facebook every week for the latest!

Throughout the 2019 Kansas legislative session, CEP will host live interviews with organizations whose mission includes one of the WEALTH topic areas: Water, Energy, Air, Land, Transportation, and Health. Leading advocacy organizations will provide updates on current WEALTH policy priorities, offer tips for civic engagement in Kansas, and answer all of your pressing questions!

On Tuesday, January 22 th at 2PM CST Climate and Energy Project will talk with the League of Women Voters in Kansas representatives Cille King and Teresa Briggs. If you miss it, check back on CEP's Facebook event page for a link to the recording.

Date	Guest(s)	Organization	Topic
1/15	Jessica Lucas	Clean Energy Business Council cleanenergyforbusiness.com	Energy
1/22	Cille King & Teresa Briggs	League of Women Voters lwvk.org	Voter Engagement
1/29	Moti Rieber	Kansas Interfaith Action kansasinterfaithaction.org	Social Justice & Health
2/5	Zack Pistora	Kansas Sierra Club kansas.sierraclub.org	Environment
2/12	Mary Fund	Kansas Rural Center kansasruralcenter.org	Agriculture
2/19	Shaun Rojas	Kansas Leadership Center kansasleadershipcenter.org	Civic Engagement
2/26	Christie Appelhanz	Children's Alliance of Kansas childally.org	Health & Children
3/5	Dawn Buehler	Friends of the Kaw kansasriver.org	Water
3/12	WEALTH DAY		

FEDERAL FARM BILL UPDATE

From the National Sustainable Agriculture Coalition (NSAC) Jan. 14, 2019

A CLOSER LOOK AT THE 2018 FARM BILL: WORKING LANDS CONSERVATION PROGRAMS

Editor's Note: This is the first post in a multi-part blog series digging deeper into some of the programs and policies of the 2018 Farm Bill. These posts will detail how the new farm bill is likely to impact core sustainable agriculture programs administered by the U.S. Department of Agriculture. Subsequent posts will focus on: local and regional foods systems, nutrition incentive and anti-hunger programs, and beginning/socially disadvantaged farmers.

With the 2018 Farm Bill signed into law last month, farmers and ranchers committed to improving their farms' resiliency and profitability now need to understand how changes in federal conservation programs might impact them. The farm bill's Conservation Title affects numerous programs and policies that play a critical role in supporting farmers' efforts improve water quality, soil health, and other natural resources on agricultural land across the country. In our previous 2018 Farm Bill conservation post, we provided an overview of wins, losses, and general changes of note in the bill's Conservation Title. In this post, we'll dig even deeper into the Conservation Title by analyzing the farm bill's effect on working lands conservation programs.

Working lands conservation programs help farmers to enhance the sustainability of their operations while keeping land in production. The two primary farm bill programs that support these efforts are: the Conservation Stewardship Program (CSP) and the Environmental Quality Incentives Program (EQIP). To read more click [HERE](#)

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Contributors to KRC are automatically on the Policy Watch list, if they provide an e-mail address; or you can subscribe just for the Updates for \$25. KRC will send complimentary copies to non-contributors for several issues upon request. To get information on how to support Policy Watch, click [HERE!](#)

In 2019, KRC is partnering with the Kansas Natural Resource Council (KNRC),

Kansas Farmers Union (KFU), League of Women Voters of Kansas (LWVK), Climate and Energy Policy (CEP), and Friends of the KAWto send Policy Watch to their members. We thank them for their support.

To opt out of receiving Policy Watch as a member of one of these organizations, see the following:

If a member of KNRC, contact Joanna Voigt at jvoigt@kansasruralcenter.org.

If a member of KFU, contact Mercedes Taylor-Puckett at kfu.mercedes@gmail.com.

If a member LWVK, contact lwv.kansas@gmail.com.

If you are on KRC's mailing list, and would like to opt out of receiving KRC Weekly Updates, please contact Joanna Voigt at jvoigt@kansasruralcenter.org.

The Kansas Rural Center

4021 SW 10th Ave. #337

Topeka, Kansas 66604

[866-579-5469](tel:866-579-5469)

www.kansasruralcenter.org

If you have any questions about Policy Watch, contact Mary Fund, editor at mfund@kansasruralcenter.org, or contact Paul Johnson at pdjohnson@centurylink.net.

To learn more about the Kansas Rural Center, please visit our website at

www.kansasruralcenter.org.